Moore Corporation Limited

Annual Report

1982

Cover
Surrealistic view of continuous forms

Contents

The Business of Moore

Moore is an international organization serving the needs of business, government and other institutions by providing products and services which facilitate the recording, communication, retention and retrieval of business information, in 39 countries and with 130 manufacturing plants.

Moore is the largest manufacturer of business forms in the world. Other specialized divisions provide small business computer turnkey systems; direct marketing products; custom packaging and data base management products and services.

Annual Meeting

The annual and general meeting of shareholders will be held at 2:00 p.m., Tuesday, April 5, 1983 in Commerce Hall, Commerce Court West, (King and Bay Streets), Toronto, Canada.

Dividends

The Corporation's dividends are declared payable in United States funds and shareholders have the option of receiving dividends in equivalent Canadian funds.

The Optional Stock Dividend and Dividend Reinvestment Plan offers two dividend options whereby shareholders may increase their holdings of the Corporation's common shares:

– dividends in the form of shares
– dividends reinvested in additional shares.

Both options provide for common shares being acquired without brokerage or service charge at a 5% discount from an average market value.

For additional information regarding these dividend options or to request a Participation Form please write the Corporation's Secretary.

Form 10-K

A copy of the Annual Report on Form 10-K, as filed with the Securities and Exchange Commission in Washington, D.C., is available to shareholders without charge upon request to:

Secretary
Moore Corporation Limited
1 First Canadian Place
P.O. Box 78
Toronto, Canada M5X 1G5

Financial highlights

Expressed in United States currency and except per share amounts in thousands of dollars

Moore Corporation Limited

	1982	1981	1980
Consolidated statement of earnings			
Sales	**$1,847,076**	$1,879,063	$1,804,781
Income from operations	**180,924**	198,150	210,694
Per dollar of sales	**9.8¢**	10.5¢	11.7¢
Income taxes	**96,149**	101,866	108,001
Percent of pretax earnings	**48.0%**	46.6%	48.7%
Net earnings	**102,204**	115,402	111,904
Per dollar of sales	**5.5¢**	6.1¢	6.2¢
Consolidated balance sheet			
Working capital	**480,297**	482,902	455,320
Ratio of current assets to current liabilities	**2.1:1**	3.0:1	3.0:1
Long-term debt	**91,161**	96,739	106,283
Ratio to equity	**0.1:1**	0.1:1	0.2:1
Capital employed in business	**872,833**	849,525	808,586
Return on capital employed	**11.9%**	13.9%	14.4%
Shareholders' equity	**710,736**	685,461	637,104
Return on shareholders' equity	**14.6%**	17.5%	18.5%
Total assets	**1,296,368**	1,088,314	1,036,781
Expenditure for fixed assets	**51,425**	46,600	48,043
Per share			
Net earnings	**$3.63**	$4.12	$3.99
Dividends declared	**$2.00**	$1.80	$1.64
Shareholders' equity	**$25.18**	$24.45	$22.73

Report to shareholders

Operating results for the year should be viewed in the light of what is generally regarded as the most difficult economic period in half a century.

Although sales and earnings were below the previous year, plans and programs implemented throughout 1982 lessened the impact of the worldwide recession on operations and provide a solid base for future growth as economic conditions improve.

Strong actions were taken to control costs at all levels and the program to rationalize those operating segments with an unsatisfactory performance was continued.

The Corporation's financial position remains strong and with opportunities arising out of changes in the way in which information is created and distributed, a sound basis is provided for future growth and expansion.

Financial

Net earnings of $102.2 million in 1982 were the equivalent of $3.63 per share and compare with 1981 net earnings of $115.4 million, equal to $4.12 per share.

Unfavourable business conditions were experienced in most of the geographic areas in which Moore operates. This situation was especially evident in the large United States market and in the European based operations.

Exchange values of currencies continued to have a negative impact on reported sales and earnings. Foreign exchange variations from the rates prevailing in 1981 are estimated to have decreased earnings per share by 45¢ in 1982.

A loss in the Moore Business Systems Division had the effect of reducing earnings by 18¢ per share, which represents an improvement from a 27¢ per share loss in the previous year.

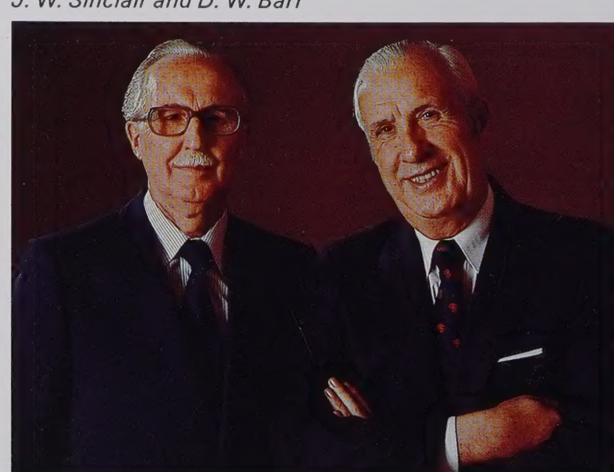
The balance sheet reflects the underlying financial strength of Moore with working capital relatively unchanged at $480.3 million. Increases in short term securities and bank loans relate mainly to a program to improve internal financing flexibility by restructuring the capitalization of certain subsidiaries. It is anticipated that this program will be completed in 1983.

Dividends

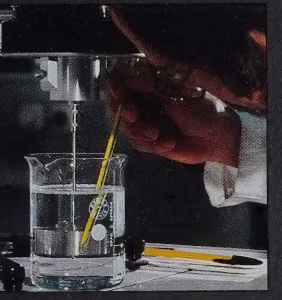
With declaration of a 50¢ quarterly dividend in February 1982, the annualized rate became $2.00 per share in United States funds.

The Optional Stock Dividend and Dividend Reinvestment Plan which became effective at the beginning of 1982 is proving most successful. Under this program shareholders may choose to receive dividends in the form of common shares or to reinvest cash dividends to acquire additional shares. The high level of shareholder interest is shown by the rise in the proportion of outstanding shares participating in this Plan, from 5.2% in the first quarter to the most recent level of some 14%. Shareholders have the benefit of acquiring shares at a 5% discount from market value without incurring brokerage charges. Moore benefits by obtaining a new source of equity capital. In 1982, a total of 170,316 shares were issued under the Plan.

J. W. Sinclair and D. W. Barr



Capsules coating the surface of Moore developed carbonless paper are magnified 2,000 times by an electron microscope. Research, marketing and manufacturing worked together to develop the recently introduced Bold Image capability which improves readability and makes possible excellent photocopies. Research technicians maintain strict quality control standards at the Moore Clean Print manufacturing facility at Chateauroux, France.



Sample #JS-188-19-1

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

40M WHITE

Business forms
Business forms account for some 90% of Moore's total revenues. In 1982, in most of the 39 countries where Moore has operations, excess capacity in the business form industry, arising from reduced customer demand, resulted in depressed pricing. Despite every effort to improve costs, the resulting squeeze on profit margins was the most important factor in reducing earnings.

In the United States, the largest single market for Moore, several developments are of special interest. In marketing, recent innovations are proving successful. The "Moore Computer Supplies Catalog" program supplemented by a technical service inquiry facility has been highly successful in reaching the growing small business segment of the market. Also Telemarketing, selling by telephone, was significantly expanded in 1982.

Twenty-one Moore Business Centre stores have been established and many are contributing to earnings. These retail stores market a range of Moore products and related computer supplies and equipment. The stores also provide on-site printing of small business form orders.

The foregoing new marketing techniques are being expanded into international operations including the United Kingdom, France and Australia.

By developing these modern marketing methods in response to the needs of smaller businesses, the experienced and trained Moore representatives are able to concentrate their efforts in areas where the opportunity is greatest and their systems knowledge fully utilized.

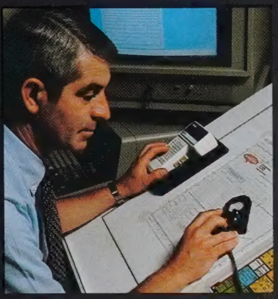
Moore carbonless paper has been a fast-growing and most successful product innovation. A major improvement from Moore research promises to significantly increase the high acceptance of Moore Clean Print forms. Advances in reactive coatings and the chemistry of dyes contained in the microscoptic capsules coating the paper now result in a desired dark printout image which reproduces on all office copiers. A new plant devoted exclusively to the manufacture of dye is being built in the United States to service Moore's immediate worldwide requirements.

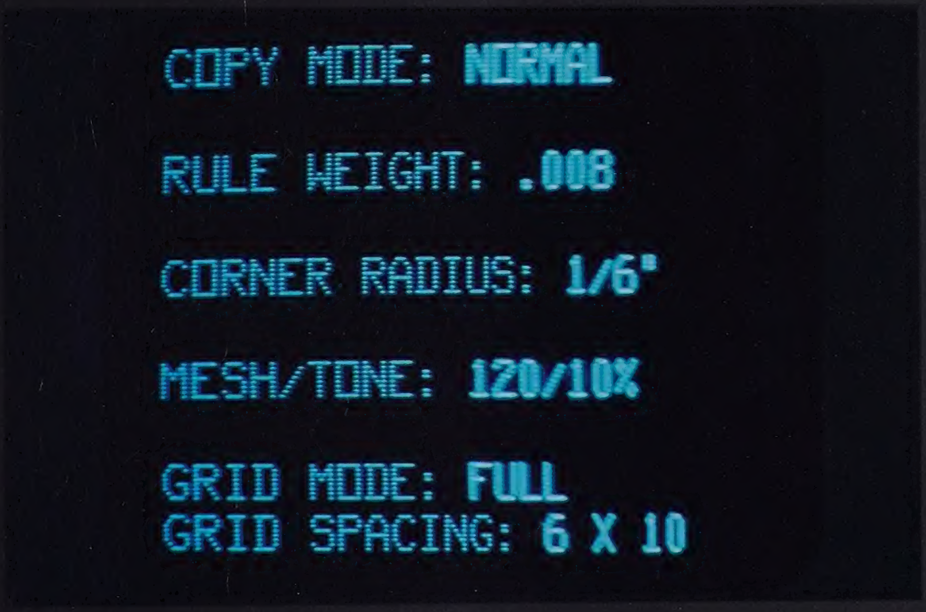
The first Moore Electronic Printing Centre was recently established in Buffalo, New York to provide the printing of variable information and data formatting. This application of the most advanced intelligent imaging techniques has the potential to expand Moore's market coverage and generate additional sales.

The use of Compurite ink jet printing continues to expand in the United States, Canada, Japan, United Kingdom and The Netherlands.

Other activities
Moore Business Systems Division–progress has been disappointing, although more than 1,500 systems have been installed to date in small and medium-sized businesses and longer-term opportunities continue to be favourable. The break even point was not achieved in 1982 in spite of increased activity and further plans and programs are being implemented to accelerate growth and development of this unit.
Response Graphics Division–which serves the United States direct marketing industry with direct mail products had a previous trend of growth in sales and earnings interrupted by the difficult year.
International Graphics Division–was hampered by the continuing depressed United States real estate market, a major customer for its specialty time-sensitive products and services. With lower interest rates, an improvement in general economic conditions and a further broadening of the product base, the unit is expected to improve both sales and earnings significantly in 1983.
Packaging–operations in Canada and the United Kingdom continue to perform exceptionally well in spite of depressed market conditions. However, the United States subsidiary again recorded an operating loss; a matter which is currently being addressed by management.

Business form designs can now be created on a computer with the Moore Automated Preliminary System. This proprietary system improves Moore's ability to quickly and accurately meet the form/system needs of a customer.





Outlook
Although not immune to difficulties, the Corporation's operations once more are proving resilient to economic recessions. As in the past, the major influence has been the underlying "growth industry" character of the business forms industry. Moore, as the world leader in this industry, benefits from the expansion of society's requirements for products and systems which collect and communicate data. Continuing growth in information needs supports expectations of future growth.

The major favourable influence continues to be the technological revolution based on increasing use of computers.

Previously, Moore's most exciting growth period was linked to the development and use of computers by large business. Recent innovations in development of small business computers, frequently referred to as the "microchip revolution" are opening large markets, not only among medium-sized and small businesses, but also in the home.

"Many new forms customer markets are being born" is the comment in a recent United States Department of Commerce report on the business forms industry. This report forecasts a real annual rate of growth in forms shipments over the next five years averaging 5% to 5.5%. The International Business Forms Institute has forecast a 6% annual real rate of growth in shipments in the United States through 1986.

Such a rate of gain in business forms is about double the anticipated real growth in the United States economy. Clearly Moore is in an industry of opportunity.

Although it may be difficult to forecast today exactly where such growth will occur, the United States government report suggests several specific areas.

New integrated, office-directed information systems are being adopted widely. These combine word processing equipment with computers to collect and provide data on some type of business form. Expanding demand for small, home-use computers will significantly increase markets for business forms as these computers can be coupled to printers. And where a printer is used, a form requirement will develop.

From this business forms base with manufacturing and service facilities strategically located throughout the world, Moore is branching out to establish significant footholds in other information industry related fields with the potential of developing into major enterprises.

Most importantly, the Corporation's financial strength places Moore in a most favourable position to take advantage of opportunities for acquisitions in the recording and distribution of information and related areas.

Appreciation
As reported recently, due to health considerations, Mr. Richard W. Hamilton elected to take early retirement from his duties as President and Chief Executive Officer, a position which he held since 1976. Moore will continue to benefit from his wise counsel since he will be available on a consulting basis. Mr. Hamilton has been a major contributor to Moore's success during a distinguished career of 41 years with the Corporation.

Mr. W. Harold Rea, a prominent Canadian businessman who has served on the Board of Directors for over 19 years, is not standing for re-election, having attained the retirement age set by the Corporation for Directors. His broad experience both in business and in the community has been a valuable source of strength to the Board during his tenure as a Director.

A very special expression of appreciation is extended to all employees who, by their excellent effort, assured that Moore successfully came through a year of most difficult business conditions.

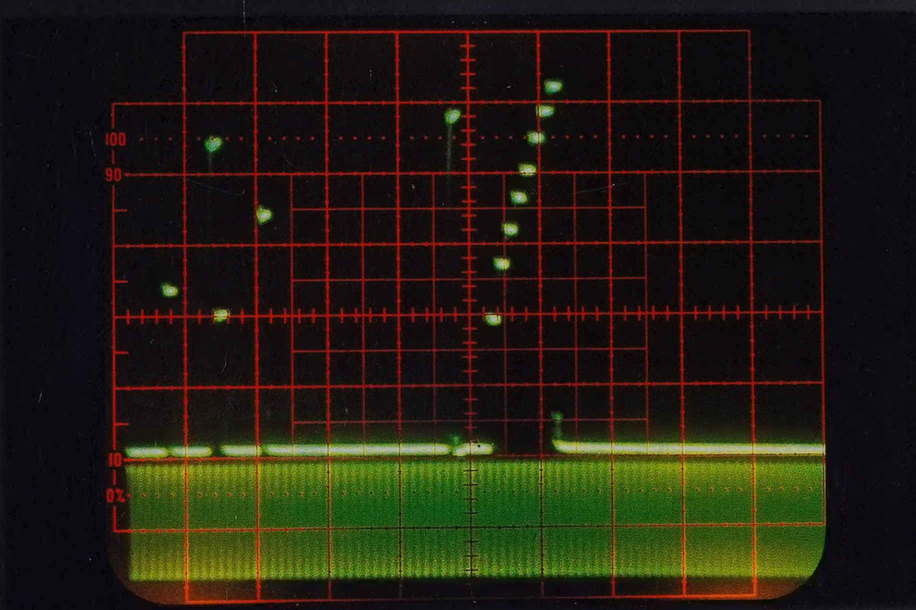
On behalf of the Board of Directors,

D. W. Barr
Chairman of the Board

J. W. Sinclair
President and Chief Executive Officer

February 22, 1983

An image of space age technology is displayed by the rapid, yet controlled, jets of ink being sprayed onto paper in the Moore Compurite process. Sales representatives in an intensive educational program are being prepared to show Moore customers how ink jet printing can be used to efficiently print variable information on high-speed presses.



COMPURITE

The information explosion – opportunities for Moore

Exciting opportunities are ahead as Moore enters its second century, as a leader in providing products and services which mobilize and put to work information to achieve business efficiency and economic growth.

In his recent book *"Megatrends"*, commentator and consultant John Naisbitt says that of ten major transformations taking place in the world *"none is more subtle, yet more explosive than the megashift from an industrial to an information society – in 1950 only about 17 percent of us worked in information jobs. Now more than 60 percent work with information."*

He believes the information society had its beginnings in 1956 and 1957 – more than coincidentally also the start of Moore's greatest growth period to date. Such innovations as carbonless paper and ink jet printing, expansion internationally, and introduction of computer systems for small and medium-sized businesses made the past 25 years the most exciting in Moore's history.

Other recent expert comments are to be noted in assessing the challenge, promise and potential of the future for the 26,000 Moore people around the world.

– Economist Charles Jonscher of Massachusetts Institute of Technology told 6,500 colleagues at a recent American Economic Association annual convention:
"About half of all economic activity in the U.S. can be attributed to the processing of knowledge of facts rather than of physical goods and that proportion is increasing through time."

– Harvey L. Poppel, a senior vice president of the international management consulting firm Booz-Allen & Hamilton Inc. wrote:
"information technology has matured beyond simple recordkeeping applications into a potent strategic weapon for achieving competitive superiority."

Moore's past growth as a global enterprise has been intimately linked with the explosion in information and recordkeeping needs of society.

The computer which speeds the collection and processing of data is the single most important development in modern times. Time magazine accurately sensed this when it portrayed the computer as *"Man of the Year"* in 1982. The advent of the microprocessor making possible the small computer and more importantly, acceptance of this computer as a desirable and necessary tool, creates enormous potential opportunities for Moore.

Modern society is complex and *"complex societies and organizations like ours are recordkeeping societies and organizations"*, says a textbook on computer systems. *"Paperwork is required for communication, legal, reference and decision purposes. The massive increase in paperwork simply makes it necessary for machines and computers to do a considerable part of the paperwork processing."*

There at the very core of society is the opportunity, anticipated by Moore in its business objective which has kept the company steadily on a course of growth...
"to serve the needs of business, government and other institutions by providing products and services which facilitate the recording, communication, retention and retrieval of business information."

Moore's strategy is to enhance the value of products and services provided to customers and designed to increase efficiency in handling business information.

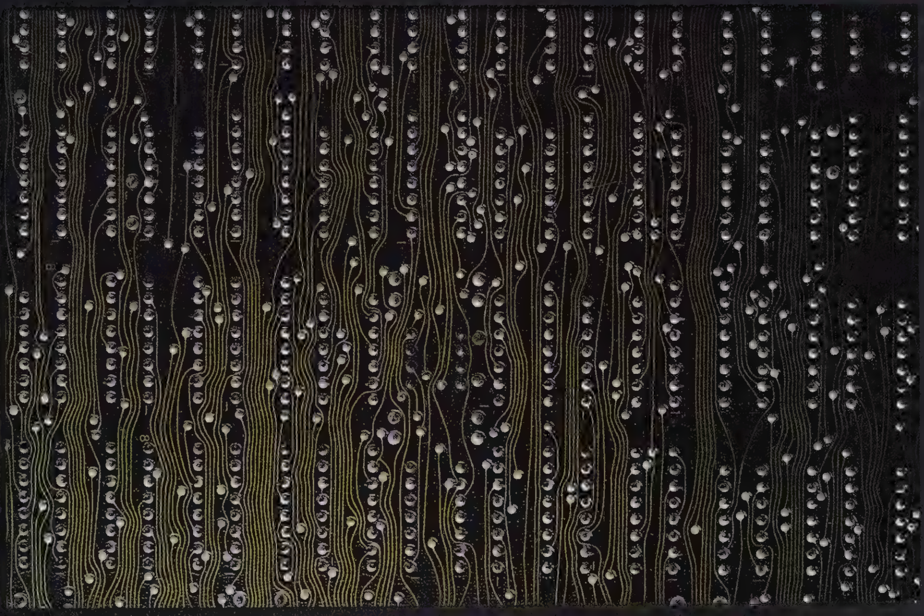
Skills and efforts of people are vital in pursuing the opportunities inherent in the technology of the information society. The software that has been described as the powerful engine driving the computer hardware is born out of human creative abilities. The human brain has been likened to a computer in that it stores information. A person is best suited to thinking, reasoning, and creating, while a computer is best adapted to calculating, manipulating, comparing, and following minute instructions. When these traits are used to complement each other, the potential is unlimited.

The strength of Moore

Within Moore today, people are thinking, reasoning and creating.

Throughout the worldwide Moore organization, many programs of potential importance to the future are underway. They range from the recognition of changing customer needs by sales representatives, through training programs designed to upgrade personal skills and knowledge, into sophisticated scientific research, and to the introduction of new products and services.

A printed circuit board is fast becoming the heart of electronic control systems in Moore manufacturing plants. At Grand Island, New York, the intricacies of new equipment that electronically prints variable information utilizing toner technology are explained.



A few recent developments represent only the tip of the iceberg of the extensive effort to assure that opportunities will not be missed. Here are examples from three broad areas–forms management, marketing and product development.

The Forms Management Company

Moore as the Forms Management Company represents a relatively new concept which is becoming increasingly important for both Moore people and Moore customers.

Forms management is the application of the knowledge of all Moore people in helping society better handle the information revolution. Its goals are important–simplify the paperwork and reduce costs for Moore customers.

In the language of business managers, forms management is a total system. Through careful analysis a customer achieves control over what forms are necessary, often resulting in a reduction of the number of forms to be inventoried, completed, read and filed. Design is improved, frequently simplified so that cost of producing and processing necessary forms is reduced. Inventories are maintained by Moore to provide both cost savings and the advantage of a dependable centralized supply to all of a customer's locations.

Forms management is an example of how Moore people uncover a need, then mobilize the total resources of the company to meet that need, thereby developing a new market opportunity.

New techniques in marketing

Marketing is principally a matter of constant communication. Moore's policies in this area have always been based on total coverage of the market–from the smallest corner store to the largest government department.

For many years the direct coverage principle was applied by personal contact of a professionally trained representative calling on a customer. While this direct coverage will continue to be the primary marketing method, today a wide range of additional channels of distribution are taking the future to Moore customers.

Recently, Moore introduced a program of catalogue marketing in the United States permitting customers to quickly and conveniently order directly by mail. A technical service desk provides expert assistance to help customers determine the most suitable product for a particular requirement.

Telemarketing and Moore Business Centre stores are other channels established by Moore to reach and service small businesses.

Moore also is represented by a network of dealers supplemented by a program to mass merchandise specific products.

Development of new products

Effective product development is the result of recognizing and anticipating a need, then researching and developing the product and manufacturing technology. Moore representatives in their daily contacts with customers quickly collect and communicate information on changing requirements. Moore research and marketing experts combine scientific knowledge and ingenuity to meet the objective established by the customer. Manufacturing is the final step in the practical application of new ideas through a useful product delivered on time and in the quantity and quality required.

Moore Clean Print with the New Bold Image is an example of how the company continuously improves existing products. The science of chemistry helped provide the knowledge of how to coat paper so that writing pressure would result in a copy without employing carbon paper Now further progress has been achieved by Moore research teams responding to demand for a dark printout image that provides improved copyability on office copiers.

New developments in the world of Compurite, the marriage of ink jet printing technology and the computer to print variable information on individual forms as they are manufactured, have created new markets for more products. A wide variety of applications which touch almost everyone include utility company billings, property tax notices and the ubiquitous personal income tax information forms for tax filing.

Research and development, a Moore cornerstone, is expected to result in significant changes. Development of improved mailing systems, toner technology, improved integration of computer electronics and the printing process are key programs being carried forward by Moore people with the full confidence that an array of products and services will be available to both serve and shape the information needs of tomorrow.

Imaginative form constructions are part of the total forms management service provided by Moore. Other services include design, systems counseling, storage, distribution, inventory reporting and cost control. Moore, as the Forms Management Company, offers the most complete combination of products and services available to meet all the requirements of a customer.

MOORE BUSINESS FORMS

Management's discussion and analysis of results of operations and financial condition

Results of operations

1982/1981

Sales in 1982 of $1,847.1 million compare with sales in 1981 of $1,879.1 million.

Net earnings in 1982 of $102.2 million or $3.63 per share were down from earnings of $115.4 million or $4.12 per share in 1981.

For the second consecutive year sales and net earnings were adversely affected by the unfavourable economic and business conditions prevailing throughout the geographic areas served by the Corporation. Reduced customer demand, excess capacity and depressed pricing in the industry generally, had a significant effect on sales and earnings.

In addition, the contribution of the Corporation's foreign operations to consolidated sales and earnings was reduced significantly by the continued strength of the United States dollar. The currencies of all countries where the Corporation has international operations declined in value against the United States dollar, the most notable instances being reductions in the values of the Mexican peso and Brazilian cruzeiro of 83% and 50%, respectively. Smaller but nevertheless important declines occurred in the values of the French franc, Pound sterling and Australian dollar.

Interest expense increased $2.2 million to $16.2 million from $14.0 million. This increase resulted from additional short-term borrowing during the year and short-term bank loans totalling $185.0 million related to a program to restructure the capitalization of certain subsidiaries to provide greater flexibility in funding internal financing arrangements. The program, commenced in December 1982, is expected to be completed in 1983.

Consolidated income from operations was $17.2 million below the total of the previous year. The operating margin was 9.8% compared with 10.5% for 1981. Increased operating costs could not be fully recovered in selling prices, a situation particularly evident within the major United States business forms division.

The income tax rate of 48.0% is 1.4% above the 1981 rate, the result of a non-recurrence of tax exempt income and adjustments to taxes in 1981 which had the effect of reducing last year's rate of tax.

Business forms and related products comprised 90% of total sales, unchanged from 1981.

The Moore Business Systems Division increased the number of installations sold by 22% over 1981, and reduced its operating loss 32% to $10.1 million from $14.8 million.

North American operations produced 75% of total sales, an increase from 1981, principally due to the strengthened United States dollar and the consequent lower value of international sales in the consolidation compared with 1981.

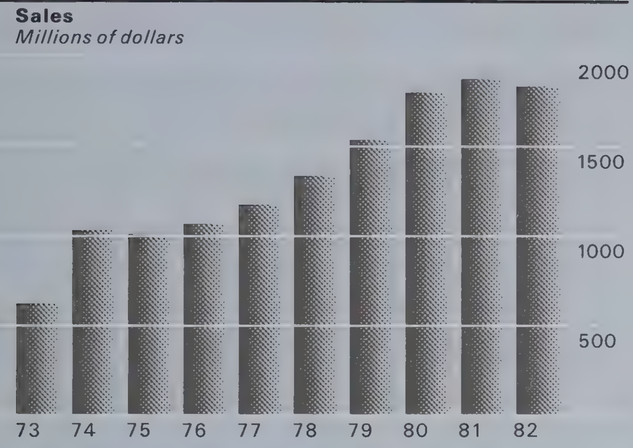
1981/1980

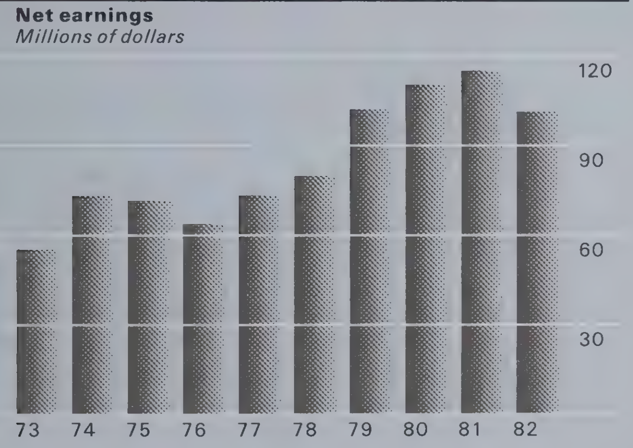
Sales in 1981 of $1,879.1 million increased $74.3 million or 4.1% over sales in 1980 of $1,804.8 million.

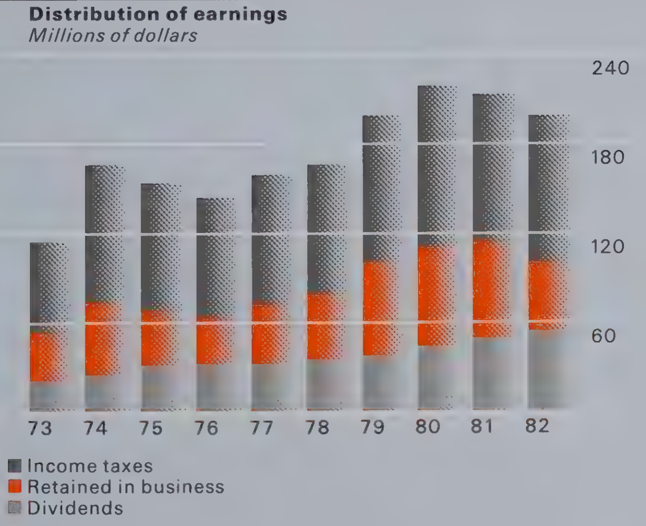
Net earnings in 1981 of $115.4 million or $4.12 per share increased 3.1% over net earnings in 1980 of $111.9 million or $3.99 per share.

Sales and earnings in 1981 were adversely affected by the continuing unfavourable economic and business conditions that prevailed throughout the year. There was increased competitive pressure on selling prices generally. Also a sharply stronger United States dollar significantly reduced the value at which the international sales and earnings were included in the consolidation.

Income from operations fell below the level of 1980 and operating margins declined to 10.5% from 11.7% reflecting the effect of increased operating costs which could not be fully recovered in selling prices. The competitive situation was particularly







severe for the business forms division in the United States and income from operations of this major segment of the Corporation was below the 1980 level. Moore Business Systems Division incurred an operating loss of $14.8 million in 1981 compared with $13.2 million in 1980.

The decline in income from operations was more than offset by an increase in investment and other income and by a lower income tax rate.

Investment and other income of $20.2 million was up significantly from the $10.9 million earned in 1980 due largely to higher interest rates and an increase in cash available for short-term investments.

The lower effective rate of tax in 1981 reflects the release of all deferred taxes relating to United Kingdom stock relief claims, a reduction in the Mexican tax rate and an increase in tax exempt income, less the write off of previously deferred Advance Corporation Tax in the United Kingdom which it is anticipated cannot be recovered against income taxes payable in the next two years.

Business forms and related products continue to be the predominant industry segment within Moore comprising 90% of sales in both 1981 and 1980.

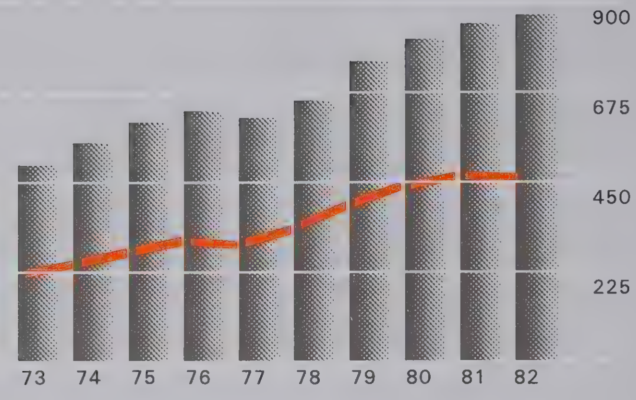
North American operations accounted for 74% of total sales in 1981, an increase from 1980, principally due to the stronger United States dollar and the consequent lower value at which international sales are included in the consolidation in 1981 compared with 1980.

Liquidity

The consolidated statement of changes in financial position provides details of the sources and applications of working capital. The year end working capital of $480.3 million decreased $2.6 million from the previous year.

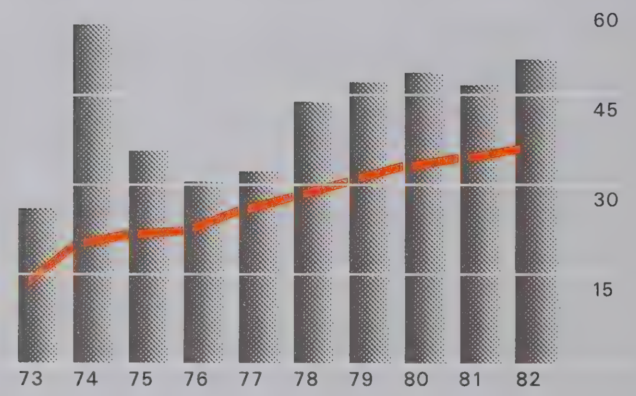
The working capital ratio of 2.1:1 compares with 3.0:1 at December 31, 1981. Increases in short-term securities and bank loans of $243.0 and $183.8 million, respectively, are mainly related to the program to restructure the capitalization of and to fund certain subsidiaries. If this program had not been underway over the year end, the working capital ratio would have been 3.1:1.

Capital employed and working capital
Millions of dollars



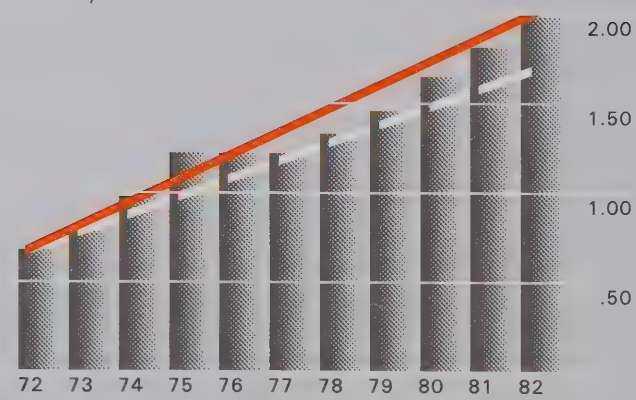
■ Capital employed
■ Working capital

Capital expenditures and depreciation
Millions of dollars



■ Capital expenditures
■ Depreciation

Dividends declared per share
Dollars per share



■ Dividends per share
■ Average annual increase in dividends of 11.6%
Average annual increase in Canadian consumer price index of 9.0%

The Corporation's program to emphasize efficient management of working capital contributed to an improved cash flow during the year. Accounts receivable were down $33.8 million or 9.2%, inventories were down $25.5 million or 9.9%, and the net increase in cash and short-term investments less short-term bank loans was $55.5 million.

The normal cash requirements of the Corporation can be covered by internally generated funds, supplemented by borrowing as needed by certain international subsidiaries in accordance with the policy that all operating subsidiaries finance their respective cash requirements.

The borrowing facilities available to the subsidiaries requiring short-term or long-term financing are anticipated to be adequate to meet their needs.

At December 31, 1982 outstanding unused lines of credit for short-term financing totalled $40 million, compared with $46 million at December 31, 1981.

Capital resources

The Corporation, with an excess of $113.7 million in cash and short-term securities over short-term bank loans, a 3.1:1 working capital ratio exclusive of the effect on the ratio of the recapitalization program and a long-term debt to equity ratio of 0.1:1, continues to maintain a strong financial condition and it is well positioned to take advantage of the expected upturn in economic conditions and opportunities for growth in its product lines.

During the current depressed economic conditions the Corporation has maintained a policy of selective capital expenditures designed to replace, upgrade or add to plant and equipment as necessary. A comparative analysis of capital expenditures and capital employed in the business follows.

Capital expenditures (in millions)	Land and buildings			Machinery and equipment		
	1982	1981	1980	**1982**	1981	1980
Canada	**$1.9**	$2.1	$1.3	**$4.2**	$3.6	$2.7
United States	**5.0**	3.8	2.9	**22.9**	18.7	24.8
Europe	**3.7**	1.8	1.2	**7.6**	6.6	8.6
Other countries	**1.8**	2.7	5.6	**4.3**	7.3	.9
	$12.4	$10.4	$11.0	**$39.0**	$36.2	$37.0

Capital employed (in millions)	1982	%	1981	%	1980	%
Shareholders' equity	**$710.7**	**81.4**	$685.5	80.7	$637.1	78.8
Long-term debt	**91.2**	**10.5**	96.7	11.4	106.3	13.1
Deferred taxes and liabilities	**56.7**	**6.5**	54.0	6.3	52.2	6.5
Equity of minority shareholders	**14.2**	**1.6**	13.3	1.6	13.0	1.6
	$872.8	**100.0**	$849.5	100.0	$808.6	100.0

Other assets of $39.4 million increased $15.8 million from 1981. The increase is comprised mainly of taxes related to the program to restructure the capitalization of and to fund certain subsidiaries, and investments made in accordance with Canadian and United States tax incentives to encourage expenditures on research and capital equipment.

Impact of inflation and changing prices

Attempts to restate historical cost financial statements to measure the effect of inflation and changing prices employ indices and other techniques such as appraisals. The result is an approximation of the impact of inflation on operations.

There are many ways by which a business organization can cope with inflation and changing prices. Some are inherent in particular industries, whereas others require specific application.

The major inventory of a business forms manufacturer is paper, and paper inventories are inherently turned over several times within each year. In the case of the Corporation, paper inventories are turned over up to eight times a year, with the average rate of turnover being six times a year. The high rate of turnover, along with use of the last-in, first-out cost method in the valuation of 42% of total inventories, results in a very short average time lag between the purchase of paper and recognition of current paper costs in operations.

Another area of concern is the need to replace manufacturing capacity at current prices. Within the Corporation equipment is constantly being added, upgraded or replaced and depreciation rates are reviewed with recognition being given to obsolescence factors in determining useful lives.

Commencing in 1983 the Corporation will be participating in the Canadian Institute of Chartered Accountants' experiment regarding the reporting of the effects of changing prices on an enterprise.

Consolidated balance sheet

As at December 31
Expressed in United States currency
in thousands of dollars

Assets		1982	1981
	Current assets		
	Cash	**$10,692**	$14,458
	Short-term securities, at cost which is approximate market value	**318,418**	75,409
	Accounts receivable, less allowance for doubtful accounts $8,482 ($8,192 in 1981)	**333,074**	366,845
	Inventories (note 2)	**231,657**	257,122
	Prepaid expenses	**9,991**	7,857
	Total current assets	**903,832**	721,691
	Fixed assets		
	Land	**22,911**	22,237
	Buildings	**154,963**	146,254
	Machinery and equipment	**469,601**	449,383
		647,475	617,874
	Less: accumulated depreciation	**315,848**	293,929
		331,627	323,945
	Investment in associated corporations (note 3)	**21,479**	19,043
	Other assets (note 4)	**39,430**	23,635
		$1,296,368	$1,088,314

Moore
Corporation
Limited

Liabilities		1982	1981
	Current liabilities		
	Bank loans (note 5)	**$215,388**	$31,615
	Accounts payable and accruals (note 6)	**170,926**	167,422
	Dividends payable	**14,114**	12,623
	Accrued income taxes	**23,107**	27,129
	Total current liabilities	**423,535**	238,789
	Long-term debt (note 7)	**91,161**	96,739
	Deferred income taxes and liabilities (note 8)	**56,751**	54,010
	Equity of minority shareholders in subsidiary corporations	**14,185**	13,315
		585,632	402,853
Shareholders' equity			
	Common shares (note 9)		
	Authorized: 40,000,000 shares without par value		
	Issued: 28,229,354 shares (28,050,907 shares in 1981)	**39,377**	34,116
	Unrealized foreign currency translation adjustments (note 10)	**(44,464)**	(18,560)
	Retained earnings	**715,823**	669,905
		710,736	685,461
		$1,296,368	$1,088,314

Approved by the Board of Directors:

Director Director

Consolidated statement of earnings

For the year ended December 31
Expressed in United States currency and except earnings per share in thousands of dollars

	1982	1981	1980
Sales	**$1,847,076**	$1,879,063	$1,804,781
Cost of sales	**1,224,592**	1,254,208	1,186,335
Selling, general and administrative expenses	**388,501**	377,619	359,226
Depreciation	**36,840**	35,121	33,780
Interest expense	**16,219**	13,965	14,746
	1,666,152	1,680,913	1,594,087
Income from operations	**180,924**	198,150	210,694
Investment and other income	**19,406**	20,231	10,891
Earnings before income taxes and minority interests	**200,330**	218,381	221,585
Income taxes (note 13)	**96,149**	101,866	108,001
Minority interests	**1,977**	1,113	1,680
Net earnings	**$102,204**	$115,402	$111,904
Earnings per share (note 14)	**$3.63**	$4.12	$3.99

Consolidated statement of retained earnings

For the year ended December 31
Expressed in United States currency in thousands of dollars

	1982	1981	1980
Balance at beginning of year	**$669,905**	$604,979	$539,036
Net earnings	**102,204**	115,402	111,904
	772,109	720,381	650,940
Dividends $2.00 per share ($1.80 in 1981; $1.64 in 1980)	**56,286**	50,476	45,961
Balance at end of year	**$715,823**	$669,905	$604,979

Consolidated statement of changes in financial position

For the year ended December 31
Expressed in United States currency
in thousands of dollars

Moore Corporation Limited

	1982	1981	1980
Sources of working capital			
Net earnings	**$102,204**	$115,402	$111,904
Items not affecting working capital (note 15)	**49,660**	33,687	27,138
Working capital from operations	**151,864**	149,089	139,042
Sale of fixed assets	**9,849**	6,707	11,153
Addition to long-term debt	**9,132**	3,833	3,635
Common shares issued	**5,261**	752	111
Dividends from associated corporations	**1,005**	1,141	1,290
Other sources	**284**	980	360
	177,395	162,502	155,591
Applications of working capital			
Dividends	**56,286**	50,476	45,961
Expenditure for fixed assets	**51,425**	46,600	48,043
Long-term investment	**16,653**	1,756	–
Deferred charges	**12,245**	1,201	652
Reduction in long-term debt	**11,129**	9,162	6,282
Goodwill	**278**	3,627	–
Investment in associated corporations	**–**	–	1,982
Other applications	**1,476**	1,964	965
	149,492	114,786	103,885
Increase in working capital before unrealized foreign currency translation adjustments	**27,903**	47,716	51,706
Unrealized foreign currency translation adjustments	**(30,508)**	(20,134)	(3,550)
Increase (decrease) in working capital	**(2,605)**	27,582	48,156
Working capital at beginning of year	**482,902**	455,320	407,164
Working capital at end of year	**$480,297**	$482,902	$455,320
Increase (decrease) in working capital by component			
Cash	**$(3,766)**	$2,701	$(1,764)
Short-term securities	**243,009**	8,687	30,583
Accounts receivable	**(33,771)**	5,377	39,072
Inventories	**(25,465)**	21,506	(11,890)
Prepaid expenses	**2,134**	(95)	1,560
Bank loans	**(183,773)**	(3,663)	(2,097)
Accounts payable and accruals	**(3,504)**	(10,362)	(3,565)
Dividends payable	**(1,491)**	(1,133)	(1,402)
Accrued income taxes	**4,022**	4,564	(2,341)
Increase (decrease) in working capital	**$(2,605)**	$27,582	$48,156

1 Summary of accounting policies

Accounting principles:
Moore Corporation Limited is incorporated under the laws of the Province of Ontario, Canada.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada.

Translation of foreign currencies:
The consolidated financial statements are expressed in United States currency because the greater part of the net assets and earnings are located or originate in the United States. Canadian and other currencies have been translated into United States currency on the following bases:

Current assets, current liabilities, pension liabilities, long-term receivables and long-term debt, at the year-end rates of exchange;

All other assets, liabilities, accumulated depreciation and related charges against earnings and share capital, at historical rates of exchange;

Income and expenses, other than depreciation, at average exchange rates during the year.

Net unrealized exchange adjustments arising on translation of foreign currencies are charged or credited directly to shareholders' equity and shown as unrealized foreign currency translation adjustments.

Realized exchange losses or gains are included in earnings.

Inventories:
Inventories of raw materials and work in process are valued at the lower of cost and replacement cost and inventories of finished goods at the lower of cost and net realizable value. The cost of the principal raw material inventories and the raw material content of finished goods inventories in Canada and the United States is determined on the last-in, first-out basis. The cost of all other inventories is determined on the first-in, first-out basis.

Fixed assets and depreciation:
Fixed assets are stated at historical cost after deducting investment tax credits and other grants on eligible capital assets. Depreciation is provided on a basis that will amortize the cost of depreciable assets over their estimated useful lives using the straight-line method. All costs for repairs and maintenance are expensed as incurred.

The estimated useful lives of buildings range from 20 to 50 years and of machinery and equipment from 3 to 17 years.

Gains or losses on the disposal of fixed assets are included in earnings and the cost and accumulated depreciation related to these assets are removed from the accounts.

Investment in associated corporations:
The Corporation accounts for its investment in associated corporations by the equity method.

Goodwill:
Goodwill is amortized by the straight-line method over periods not exceeding forty years.

Amortization of deferred costs:
Deferred debenture costs are amortized over a ten-year period and deferred production engineering costs are amortized over varying periods not exceeding five years.

Income taxes:
Income taxes are accounted for on the tax allocation basis which relates income taxes to the accounting income for the year.

No provision has been made for taxes on undistributed earnings of subsidiaries not currently available for paying dividends inasmuch as such earnings have been reinvested in the business.

2 Inventories

(in thousands)	**1982**	1981
Raw materials	**$98,066**	$118,031
Work in process	**24,252**	25,463
Finished goods	**104,114**	108,088
Other	**5,225**	5,540
	$231,657	$257,122

The excess of the current cost over the last-in, first-out cost of those inventories determined on the latter basis is approximately $54,000,000 at December 31, 1982 (1981–$66,000,000).

3 Investment in associated corporations

(in thousands)	1982	1981
Toppan Moore Company, Ltd. (45% owned)	**$20,107**	$17,960
Formularios y Procedimientos Moore, S.A. (49% owned)	**1,372**	1,083
	$21,479	$19,043

Dividends received from associated corporations in 1982 were $1,005,000 (1981–$1,141,000; 1980–$1,290,000). The undistributed earnings of associated corporations included in retained earnings are $13,678,000 (1981–$11,242,000; 1980–$8,610,000).

4 Other assets

Other assets include goodwill of $12,894,000 (1981–$13,219,000), net of accumulated amortization of $3,261,000 (1981–$2,678,000) and, in 1982, taxes of $9,836,000, net of amortization of $164,000, arising out of a program to restructure the capitalization of and to fund certain subsidiaries. These taxes are being amortized over a five-year period.

5 Unused lines of credit

The unused lines of credit outstanding at December 31, 1982 for short-term financing totalled approximately $40,000,000 (1981–$46,000,000), of which $20,000,000 is for the support of commercial paper borrowings. There were no commercial paper borrowings outstanding at the end of either year.

6 Accounts payable and accruals

(in thousands)	1982	1981
Trade accounts payable	**$72,032**	$72,011
Other payables	**23,267**	25,605
	95,299	97,616
Accrued payrolls	**30,197**	27,572
Accrued retirement plan payments	**16,149**	15,031
Other accruals	**29,281**	27,203
	75,627	69,806
	$170,926	$167,422

7 Long-term debt

(in thousands)	1982	1981
Moore Corporation Limited		
6% Convertible Subordinated Debentures due 1994 ($42,647,000 Cdn.; 1981–$43,315,000 Cdn.)	**$34,536**	$36,536
Bank loan payable in Canadian dollars due 1987 (1981–Eurodollar bank loan)	**11,921**	12,054
Other debt bearing interest at 7% due 1987	**364**	1,247
Capital lease commitments	**113**	–
Moore Business Forms, Inc.		
7.9% Senior Notes due 1996	**17,000**	18,000
Industrial Development Revenue Bonds bearing interest at 6.85% to 9.5% due 2004	**7,350**	7,350
6.75% Promissory Note due 1986, secured by mortgages on certain properties	**1,233**	1,592
Other debt bearing interest at 9.5% due 1989	**26**	161
Capital lease commitments	**818**	1,355
Moore Paragon S.A.		
Bank and other loans payable in French francs bearing interest at 8.5% to 13.4% due 1984 to 1993. Loans amounting to $2,718,000 (1981–$3,774,000) are secured	**4,997**	6,446
	$78,358	$84,741

(Note 7 continued)

Balance forward	**$78,358**	$84,741
Moore Business Systems Australia Limited		
Secured loans payable in Australian and New Zealand dollars bearing interest at 6.25% to 16.5% due 1987 and 1988	**1,294**	1,745
10.3% secured debentures payable in Australian dollars	**–**	3,384
Capital lease commitments	**141**	251
Moore Ges.m.b.H.		
Bank loans payable in Austrian schillings bearing interest at 5.5% to 9% due 1988 to 1990	**2,309**	2,855
Moore Business Forms de Mexico S.A. de C.V.		
Eurodollar bank loan bearing interest at ¾ of 1% over the London Interbank Offering Rate (at December 31, 1982–9.375%) existing from time to time due 1987	**3,000**	–
Moore Paragon N.V.		
Bank loan payable in Belgian francs bearing interest at 9.75% due 1992	**2,179**	–
Other subsidiaries		
Secured loans	**574**	360
Unsecured loans	**2,869**	2,711
Capital lease commitments	**437**	692
	$91,161	$96,739

The 6% Convertible Subordinated Debentures are convertible at any time until April 1, 1984 into common shares at a rate of 17 shares per $1,000 Cdn. principal amount of debentures. Under certain circumstances debentures are redeemable or can be purchased in the market by the Corporation in accordance with the provisions and sinking fund requirements specified in the trust indenture. The trust indenture provides for a sinking fund, with respect to the retirement of the debentures, to commence in 1985. The sinking fund obligations for the years 1985 to 1988 inclusive have been satisfied through the purchase of debentures by the Corporation in 1982 and prior years.

The bank loan agreement of the Corporation provides options either to borrow any currency freely traded on the London Interbank Eurocurrency Market, with interest determined at ½ of 1% per annum over the London Interbank Offering Rate existing from time to time, or to borrow Canadian dollars through bankers acceptances at market interest rates existing from time to time plus a fee of ¾ of 1% per annum of the face value of the acceptances. At December 31, 1982, the interest rate on this bank loan was 11%.

The long-term debt of other subsidiaries bears interest at rates ranging from 8.35% to 24.5%. These debts mature on varying dates to 1992. Loans amounting to $2,253,000 (1981–$1,765,000) are payable in currencies other than United States dollars and loans of $574,000 (1981–$360,000) are secured by assets of four subsidiaries.

The cost of assets subject to lien approximated $98,000,000 (1981–$95,000,000), the liens being primarily mortgages against fixed assets and pledges of accounts receivable and inventories.

Payments of $9,942,000 (1981–$3,737,000) on long-term debt due within one year are included in current liabilities. For the years 1984 through 1987 payments required on long-term debt are as follows: 1984–$3,867,000; 1985–$3,812,000; 1986–$4,010,000 and 1987–$18,138,000.

8 Deferred income taxes and liabilities

Deferred income taxes amount to $49,399,000 (1981–$46,936,000). Deferred liabilities include $4,397,000 (1981–$4,563,000) for pensions under unfunded retirement plans of certain overseas subsidiaries (see note 11).

9 Common shares

The following is a summary of the changes in the authorized and issued common shares without par value since January 1, 1980:

	Authorized	Issued	
	Number of shares	Number of shares	Amount
Balance, January 1, 1980	40,000,000	28,023,146	$33,253,000
Conversion of $127,000 Cdn. principal amount of 6% Convertible Subordinated Debentures		2,159	111,000
Balance, December 31, 1980	40,000,000	28,025,305	33,364,000
Exercise of executive stock options		25,500	749,000
Conversion of $6,000 Cdn. principal amount of 6% Convertible Subordinated Debentures		102	3,000
Balance, December 31, 1981	40,000,000	28,050,907	34,116,000
Optional stock dividend and dividend reinvestment plan		170,316	5,007,000
Exercise of executive stock options		7,400	219,000
Conversion of $43,000 Cdn. principal amount of 6% Convertible Subordinated Debentures		731	35,000
Balance, December 31, 1982	40,000,000	28,229,354	$39,377,000

The Optional Stock Dividend and Dividend Reinvestment Plan provides shareholders of the Corporation with two options to acquire additional common shares. The election of the stock dividend option results in dividends being received in the form of shares and the dividend reinvestment option results in cash dividends being reinvested to acquire additional shares. Under either option, the amount of the dividend otherwise receivable in cash (less any applicable withholding tax) is used to acquire shares at a 5% discount from an average market value.

Pursuant to the terms of the 1976 Executive Stock Option Plan approved by the shareholders of the Corporation on April 14, 1976, 224,400 common shares of the Corporation were reserved for issuance. Under the terms of the Plan, options may be granted to certain key employees to purchase shares of the Corporation at a price per share which is not less than 100% of fair market value on the date the option is granted. Options may be exercised at such times as are determined at the date they are granted and expire not more than ten years from the date granted. Details of the stock option activity in 1982 are as follows:

Years options granted	1981	1979	1976	Total
Number of common shares under option				
Outstanding December 31, 1981	36,000	42,000	16,500	94,500
Options exercised	(2,800)	(2,850)	(1,750)	(7,400)
Options lapsed		(3,000)		(3,000)
Outstanding December 31, 1982	33,200	36,150	14,750	84,100
Option price per share Canadian currency	$35.73	$37.94	$34.94	

The number of shares available for stock option grants pursuant to the terms of the 1976 Executive Stock Option Plan were 101,900 common shares as at January 1, 1982 and 104,900 common shares as at December 31, 1982.

At December 31, 1982, as required by the provisions of the trust indenture relating to the 6% Convertible Subordinated Debentures, 724,999 common shares were reserved to meet the conversion privilege of the debentures.

10 Unrealized foreign currency translation adjustments

(in thousands)	**1982**	1981	1980
Balance at beginning of year	**$18,560**	$1,239	$57
Adjustments for the year	**25,904**	17,321	1,182
Balance at end of year	**$44,464**	$18,560	$1,239

11 Retirement plans

Based on the latest reports of independent consulting actuaries on the Corporation's United States and Canadian retirement plans, all vested benefits are fully funded and it is estimated that the obligations for pension benefits expected to accrue and vest in the future, which are related to prior service, approximate $104,000,000 as at December 31, 1982 (1981–$97,000,000). Consistent with preceding years, these obligations will be recorded in the accounts and funded by annual payments over periods not exceeding thirty years.

Funded contributory retirement plans are available for employees in some of the international subsidiaries and current service costs under these plans are being charged to earnings and funded annually. In other international subsidiaries, where either state or funded retirement plans exist, there are certain small supplementary unfunded plans.

Pensionable service prior to establishing funded contributory retirement plans in some international subsidiaries, covered by former discretionary non-contributory retirement plans, was assumed as a prior service obligation. The deferred liability for pensions at December 31, 1982, referred to in note 8, relates primarily to the unfunded portion of this prior service obligation.

12 Consolidated statement of earnings information

(in thousands)	**1982**	1981	1980
Interest expense			
Interest on long-term debt	**$8,650**	$9,060	$10,056
Other interest expense	**7,479**	4,794	4,580
Amortization of deferred debenture costs	**90**	111	110
	$16,219	$13,965	$14,746
Investment and other income			
Interest on short-term investments	**$16,809**	$16,721	$7,687
Equity in earnings of associated corporations	**2,418**	3,510	2,879
Discount earned on purchase of 6% Convertible Subordinated Debentures	**179**	–	325
	$19,406	$20,231	$10,891
Repairs and maintenance	**$31,374**	$32,352	$27,774
Rent expense	**30,504**	26,745	20,974
Taxes other than income and payroll taxes	**26,826**	24,355	26,449
Retirement plan expense	**18,274**	20,790	21,225
Research and development expense	**15,812**	15,512	17,132
Amortization of goodwill	**583**	356	326

13 Income taxes

(in thousands)

The components of earnings before income taxes and the provision for income taxes for the three years ended December 31, 1982 are as follows:

Earnings before income taxes	**1982**	1981	1980
Canada	**$18,895**	$19,919	$12,036
United States	**145,701**	153,848	165,813
Other countries	**35,734**	44,614	43,736
	$200,330	$218,381	$221,585

Provision for income taxes	**1982**		1981		1980	
	Current	**Deferred**	Current	Deferred	Current	Deferred
Canada (federal and provincial)	**$7,222**	**$1,692**	$8,605	$71	$6,774	$(927)
United States						
Federal	**52,989**	**8,283**	63,955	1,359	70,209	308
State	**9,701**	**(92)**	9,775	246	10,907	117
Other countries	**15,041**	**1,313**	18,046	(191)	22,920	(2,307)
	$84,953	**$11,196**	$100,381	$1,485	$110,810	$(2,809)

(Note 13 continued)

Deferred income taxes in each of the three years arose from a number of differences of a timing nature between income for accounting purposes and taxable income in the jurisdictions in which the Corporation and its subsidiaries operate. These timing differences include the variation between tax and accounting depreciation, state income taxes in the United States and other items. Investments made in accordance with Canadian and United States tax incentives to encourage expenditure on research and capital equipment generated additional deferred income taxes in 1982.

The effective rates of tax for each year as compared to the statutory Canadian rates were as follows:

	1982	1981	1980
Canadian combined federal and provincial statutory rate as applied to manufacturing and processing profits	**43.8%**	44.8%	44.7%
Increase, primarily the net effect of tax rates in other countries	**4.2**	1.8	4.0
Total consolidated effective tax rate	**48.0%**	46.6%	48.7%

14 Earnings and fully diluted earnings per share

The earnings per share calculations are based on the weighted average of the common shares outstanding during the year.

If it were assumed that at the beginning of the year the 6% Convertible Subordinated Debentures had been converted into common shares and all outstanding stock options had been exercised with the funds derived therefrom yielding an annual return of 5% net of tax, the earnings per share for the year would have been $3.57 (1981–$4.04; 1980–$3.91) (see note 18).

15 Items not affecting working capital

(in thousands)	**1982**	1981	1980
Depreciation	**$36,840**	$35,121	$33,780
Equity in earnings of associated corporations	**(2,418)**	(3,510)	(2,879)
Minority interest in earnings	**1,977**	1,113	1,680
Deferred income taxes	**11,196**	1,485	(2,809)
Other	**2,065**	(522)	(2,634)
	$49,660	$33,687	$27,138

16 Lease commitments

(in thousands)

At December 31, 1982, long-term lease commitments require approximate future rentals as follows:

1983	$26,240
1984	21,152
1985	16,081
1986	$10,895
1987	8,189
1988 and thereafter	17,623

17 Segmented information

(in thousands)

The Corporation and its subsidiaries have operated predominantly in one industry during the three years ended December 31, 1982, that being the manufacture and sale of business forms and related products and services. Transfers of product between geographic segments are generally accounted for on a basis that results in a fair profit being earned by each segment. The export of product from Canada is insignificant.

(Note 17 continued)

Geographic segments

1982	Canada	United States	Europe	Other	Consolidated
Total revenue	$182,588	$1,208,726	$273,069	$191,041	$1,855,424
Intergeographical segment sales	(25)	(6,992)	(1,331)	–	(8,348)
Sales to customers outside the enterprise	$182,563	$1,201,734	$271,738	$191,041	$1,847,076
Segment operating profit	$24,053	$139,058	$10,365	$25,580	$199,056
Interest expense					(16,219)
General corporate expense					(1,913)
Income from operations					$180,924
Identifiable assets	$91,573	$671,078	$195,825	$117,441	$1,075,917
Intersegment eliminations					(19,300)
Corporate assets including investments in associated corporations					239,751
Total assets					$1,296,368
Depreciation expense	$3,177	$23,120	$6,334	$4,209	$36,840
Capital expenditures	$6,055	$27,912	$11,393	$6,065	$51,425

1981	Canada	United States	Europe	Other	Consolidated
Total revenue	$180,498	$1,221,827	$296,374	$187,923	$1,886,622
Intergeographical segment sales	(36)	(6,952)	(571)	–	(7,559)
Sales to customers outside the enterprise	$180,462	$1,214,875	$295,803	$187,923	$1,879,063
Segment operating profit	$22,723	$144,881	$16,535	$26,017	$210,156
Interest expense					(13,965)
General corporate revenue					1,959
Income from operations					$198,150
Identifiable assets	$93,881	$663,395	$208,899	$124,120	$1,090,295
Intersegment eliminations					(32,519)
Corporate assets including investments in associated corporations					30,538
Total assets					$1,088,314
Depreciation expense	$2,937	$21,686	$6,568	$3,930	$35,121
Capital expenditures	$5,670	$22,478	$8,388	$10,064	$46,600

1980	Canada	United States	Europe	Other	Consolidated
Total revenue	$161,120	$1,134,589	$346,846	$168,585	$1,811,140
Intergeographical segment sales	(10)	(6,340)	(9)	–	(6,359)
Sales to customers outside the enterprise	$161,110	$1,128,249	$346,837	$168,585	$1,804,781
Segment operating profit	$19,584	$163,075	$15,954	$27,961	$226,574
Interest expense					(14,746)
General corporate expense					(1,134)
Income from operations					$210,694
Identifiable assets	$79,074	$603,708	$224,217	$113,712	$1,020,711
Intersegment eliminations					(7,978)
Corporate assets including investments in associated corporations					24,048
Total assets					$1,036,781
Depreciation expense	$2,518	$20,422	$6,985	$3,855	$33,780
Capital expenditures	$4,046	$27,696	$9,810	$6,491	$48,043

18 Differences between Canadian and United States generally accepted accounting principles

The continued registration of the common shares of the Corporation with the Securities and Exchange Commission and listing of the shares on the New York Stock Exchange requires compliance with the integrated disclosure rules of the Securities and Exchange Commission.

The accounting policies in note 1 and accounting principles generally accepted in Canada are consistent in all material aspects with United States generally accepted accounting principles except in the following areas:

Translation of foreign currencies:
Under Statement 52 of the Financial Accounting Standards Board, most assets and liabilities in foreign currency financial statements would be translated at current exchange rates and the unrealized translation adjustments accumulated in a separate component of shareholders' equity. If Statement 52 were followed, the resulting adjustments would decrease net earnings by $11,326,000, $2,863,000 and $1,445,000 in the years 1982, 1981 and 1980 respectively. Consolidated net assets would be reduced by $29,205,000 and $12,111,000 at December 31, 1982 and 1981 respectively, with the major part of this reduction being in fixed assets.

Retirement plans:
Under United States generally accepted accounting principles, the total cost of a special supplementary pension plan established in 1977, amounting to $13,152,000, would have been recorded as an expense in that year and a deferred pension liability, in the same amount, would have been established. This adjustment would result in a corresponding increase in earnings for the years 1978 through 1981. The related after tax effect would have been to decrease earnings in 1977 by $6,613,000 and to increase earnings in 1978, 1979, 1980 and 1981 by $2,109,000, $1,879,000, $1,527,000 and $1,182,000 respectively.

Under United States generally accepted accounting principles additional information as set out in the table below, available only in respect of the Corporation's United States and Canadian retirement plans, would be disclosed. The data is based upon the latest reports of independent consulting actuaries on the Corporation's United States and Canadian retirement plans which cover substantially all of the employees in those countries. The value of the net assets of those plans has been determined on a full accrual, market value basis and the amount funded and expensed each year includes an amount to cover current service costs and an amount to amortize past service costs.

(in thousands)	**January 1 1982**	January 1 1981
Actuarial present value of accumulated plan benefits of which $132,113,000 (1981–$117,287,000) are vested	**$142,488**	$126,970
Net assets available for benefits	**171,528**	160,826
Assumed interest rate used in calculating accumulated plan benefits	**7.5%**	7.5%

Earnings and fully diluted earnings per share:
The calculation of primary earnings per share under United States generally accepted accounting principles would include the common stock equivalent of the 6% Convertible Subordinated Debentures and any outstanding stock options granted where the average market price for the year exceeds the option price. Under United States generally accepted accounting principles the calculation of fully diluted earnings per share would include the dilutive effect, if any, of any common shares issued during the period on conversion of debentures or the exercise of stock options with effect from the beginning of the period. Also, the calculation of fully diluted earnings per share would include the additional dilutive effect of outstanding options if the market price at the close of the period is higher than the average market price used in computing primary earnings per share.

Assuming translation of foreign currencies and the recording of the special supplementary pension plan expense on the above described United States generally accepted accounting principles, net earnings would be $90,878,000 (1981– $113,721,000; 1980–$111,986,000). Related earnings per common and common equivalent share and assuming full dilution would be $3.19 (1981–$3.99; 1980–$3.93).

Management's statement on financial reporting

The accompanying consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada.

The Corporation maintains a system of internal control which is designed to provide reasonable assurance that assets are safeguarded and that reliable financial records are maintained.

The consolidated financial statements have been examined by the Corporation's independent auditors, Price Waterhouse, and their report is included herein.

The Audit Committee of the Board of Directors is composed entirely of outside directors and meets periodically with the Corporation's independent auditors, management and the Corporation's Internal Auditor to discuss the scope and results of audit examinations with respect to adequacy of internal controls and financial reporting of the Corporation.

Auditors' report

To the Shareholders of
Moore Corporation Limited:

We have examined the consolidated balance sheets of Moore Corporation Limited as at December 31, 1982 and 1981 and the consolidated statements of earnings, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1982 and 1981 and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1982 in accordance with generally accepted accounting principles consistently applied.

Price Waterhouse
Chartered Accountants
Toronto, Canada
February 22, 1983

Distribution of revenue	**1982**	1981	1980
Sales and investment and other income	**100.0%**	100.0%	100.0%
Used as follows:			
Wages, salaries and employee benefits	**32.2**	32.2	32.0
Materials, supplies and services	**54.4**	53.3	53.3
Depreciation	**2.0**	1.8	1.9
Income, property and other taxes	**5.8**	6.5	6.6
Allocated to minority interests	**.1**	.1	.1
Dividends	**3.0**	2.7	2.5
Retained in business	**2.5**	3.4	3.6

Quarterly financial information

Expressed in United States currency and except per share amounts in thousands of dollars (unaudited)

	1982				1981			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Sales	$466,746	$449,377	$456,036	$474,917	$497,432	$467,562	$457,332	$456,737
Cost of sales	303,275	298,781	303,440	319,096	333,192	314,812	306,150	300,054
Income from operations	54,125	41,946	39,932	44,921	57,353	45,823	43,838	51,136
Net earnings	31,082	23,715	22,409	24,998	32,275	26,815	26,146	30,166
Per share	$1.10	$.84	$.80	$.89	$1.15	$.96	$.93	$1.08
Based on United States generally accepted accounting principles (note 18)								
Net earnings	$24,763	$19,952	$21,648	$24,515	$31,968	$26,249	$25,811	$29,693
Per share	$.87	$.70	$.76	$.86	$1.12	$.92	$.91	$1.04

Market price of common shares and related security holder matters

The principal trading markets of the common shares of the Corporation in Canada and the United States are Toronto and New York, respectively. The common shares of the Corporation are also listed on the Montreal Stock Exchange.

The following table sets forth the reported high and low sales prices of the common shares of the Corporation on the Toronto, Montreal and New York stock exchanges, as reported by The Toronto Stock Exchange Trading Summary, Montreal Stock Exchange and the New York Stock Exchange Monthly Market Statistics Report, respectively:

	1982				1981			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Toronto Stock Exchange *(Canadian currency)*								
High	$51⅝	$42⅜	$39¼	$39⅜	$39⅞	$43⅞	$46¾	$45⅝
Low	40⅛	34½	33	36¼	34⅞	35¼	42	39¼
Montreal Stock Exchange *(Canadian currency)*								
High	51¾	41⅞	39¼	39¼	39½	43½	46¾	45¼
Low	40½	34¾	33	36½	35	36	42⅜	39¼
New York Stock Exchange *(United States currency)*								
High	41½	34⅜	31¾	33⅛	33½	36¾	38⅝	38⅜
Low	32¼	26¾	25½	30	28¾	29½	35	32½
Dividends paid per common share *(United States currency)*	50¢	50¢	50¢	45¢	45¢	45¢	45¢	41¢

On February 7, 1983, the number of shareholders of record was 18,063.

There are no restrictions on the export or import of capital which affect the remittance of dividends, interest or other payments to non resident holders of the Corporation's securities.

The Foreign Investment Review Act requires the prior approval by the Government of Canada of the acquisition by, or transfer to, non residents of Canada of direct or indirect control of a Canadian business entity, such as the Corporation. The Act does not apply to the purchase of shares or securities of a corporation where such purchases would not give the purchasers effective control of that corporation.

Withholding taxes at the rate of 25% are imposed on the payment of interest and cash dividends to non residents of Canada. Under the Canada/United States tax treaty, such rate is reduced from 25% to 15%. Stock dividends to non residents of Canada are generally not subject to Canadian withholding tax.

Ten-year summary

Expressed in United States currency and except per share amounts in thousands of dollars

Income statistics	1982	1981	1980
Sales	**$1,847,076**	$1,879,063	$1,804,781
Income from operations	**180,924**	198,150	210,694
Per dollar of sales	**9.8¢**	10.5¢	11.7¢
Income taxes	**96,149**	101,866	108,001
Percent of pretax earnings	**48.0%**	46.6%	48.7%
Earnings before extraordinary items	**102,204**	115,402	111,904
Per dollar of sales	**5.5¢**	6.1¢	6.2¢
Per share	**$3.63**	$4.12	$3.99
Net earnings	**102,204**	115,402	111,904
Per dollar of sales	**5.5¢**	6.1¢	6.2¢
Per share	**$3.63**	$4.12	$3.99
Dividends	**56,286**	50,476	45,961
Per share	**$2.00**	$1.80	$1.64
Earnings retained in business	**45,918**	64,926	65,943

Balance sheet and other statistics	1982	1981	1980
Current assets	**$903,832**	$721,691	$683,515
Current liabilities	**423,535**	238,789	228,195
Working capital	**480,297**	482,902	455,320
Ratio of current assets to current liabilities	**2.1:1**	3.0:1	3.0:1
Fixed assets (net)	**331,627**	323,945	318,082
Long-term debt	**91,161**	96,739	106,283
Ratio to equity	**0.1:1**	0.1:1	0.2:1
Shareholders' equity	**710,736**	685,461	637,104
Per share	**$25.18**	$24.45	$22.73
Total assets	**1,296,368**	1,088,314	1,036,781
Number of shareholders of record at year end	**17,991**	18,370	18,999
Number of employees	**26,218**	27,703	27,839

[1]The 1973 results include, on a consolidated basis, the Lamson accounts only from November 23, 1973, the date Moore acquired a majority interest in that company.

Moore
Corporation
Limited

1979	1978	1977	1976	1975	1974	1973[1]
$1,541,048	$1,323,362	$1,183,890	$1,053,427	$1,005,610	$1,032,192	$607,129
192,141	163,439	158,894	142,427	154,607	168,597	111,104
12.5¢	12.4¢	13.4¢	13.5¢	15.4¢	16.3¢	18.3¢
98,292	87,576	86,862	77,688	83,597	91,825	60,407
48.6%	51.1%	52.6%	52.2%	52.3%	53.7%	52.3%
102,822	82,303	75,469	66,271	72,021	72,725	54,896
6.7¢	6.2¢	6.4¢	6.3¢	7.2¢	7.0¢	9.0¢
$3.67	$2.94	$2.69	$2.37	$2.56	$2.60	$1.63
102,822	80,655	74,436	65,059	72,021	74,725	55,760
6.7¢	6.1¢	6.3¢	6.2¢	7.2¢	7.2¢	9.2¢
$3.67	$2.88	$2.65	$2.33	$2.56	$2.67	$1.96
40,352	36,987	33,624	33,624	33,621	26,894	21,970
$1.44	$1.32	$1.20	$1.20	$1.20	96.0¢	77.5¢
62,470	43,668	40,812	31,435	38,400	47,831	33,790

1979	1978	1977	1976	1975	1974	1973
$625,954	$521,005	$501,685	$452,975	$424,105	$443,393	$346,328
218,790	178,978	196,036	137,232	136,386	181,317	116,719
407,164	342,027	305,649	315,743	287,719	262,076	229,609
2.9:1	2.9:1	2.6:1	3.3:1	3.1:1	2.4:1	3.0:1
309,084	298,040	289,976	285,312	287,589	277,362	246,399
111,291	96,614	90,780	90,417	92,082	93,248	84,852
0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.3:1	0.3:1
572,232	508,378	464,074	424,139	397,278	358,398	310,020
$20.42	$18.14	$16.56	$15.14	$14.18	$12.79	$11.07
968,099	849,398	819,877	764,262	737,153	741,213	611,142
18,547	19,993	20,059	20,036	20,198	20,668	21,303
28,317	26,748	27,045	25,964	26,279	29,535	28,760

Directors, officers and executive personnel

Board of Directors

David W. Barr
Toronto
Chairman of the Board

Edward H. Crawford
Toronto
President, The Canada Life Assurance Company

James D. Farley
New York, N.Y.
Executive Vice President Citibank, N.A.

J. Douglas Gibson
Toronto
Corporate Director

L. Edward Grubb
Durham, N.H.
Corporate Director

Edwin H. Heeney
Toronto
Corporate Director

J. Dean Muncaster
Toronto
President and Chief Executive Officer Canadian Tire Corporation, Limited

Cedric E. Ritchie
Toronto
Chairman of the Board and Chief Executive Officer, The Bank of Nova Scotia

Judson W. Sinclair
Toronto
President and Chief Executive Officer

Honorary Directors

W. Herman Browne
Toronto

J. Stuart Fleming
Niagara Falls, N.Y.

W. Harold Rea
Toronto

Alan H. Temple
New York, N.Y.

Corporate Officers

David W. Barr
Chairman of the Board

Judson W. Sinclair
President and Chief Executive Officer

Joseph B. McArthur
Senior Vice President–Finance

Wilbur M. Nichols
Senior Vice President–International

Donald S. Dunlop
Vice President and Treasurer

Florence E. Dougherty
Secretary

George G. Flint
Comptroller

Corporate Services

Daniel J. Fischer
Auditor

Peter McConnachie
Director of Human Resources

William F. Young
Director, Corporate Cost and Pricing

Canadian Operating Management

Moore Business Forms Division
Joseph B. McArthur
Vice President and General Manager

Reid Dominion Packaging Limited
Richard W. Bastien
Executive Vice President and General Manager

United States Operating Management

Moore Business Forms, Inc.

United States Forms Division
Lee C. Rumph
Executive Vice President

Homer T. Anderson
Vice President, Specialty Units

Robert M. Cooley
Vice President and Comptroller

M. Keith Goodrich
Vice President, Manufacturing

John A. Heist
Vice President, Human Resources

*Edward J. Howe
Vice President, Information Services

Thomas J. Pruter
Vice President, Marketing

*John L. Wilson
Vice President, Research

**Also provide Corporate Services*

Response Graphics Division
John R. Anderluh
Vice President and General Manager

Moore Business Systems
Frank C. Haskell
Vice President and General Manager

International Graphics Division
Louis J. Rupnik
Vice President and General Manager

F.N. Burt Company, Inc.
Graham J. McClean
Vice President and General Manager

International Operating Management

Toronto, Canada
James L. Saunders
Vice President and General Manager International Division

Bernard Coburn
Regional Chief Executive Australasia

Fernando Hernandez
General Manager Mexico

Elpidio C. Perez
General Manager Caribbean

Malcolm C. Rogers
General Manager Brazil

Albert G. Taylor
Regional Chief Executive ANCOM

Teodoro F. Vides
General Manager Central America

London, England
Donald E. Wandersee
Vice President and General Manager International Division

A. Roger Barichello
Regional Chief Executive Southern Europe

Charles L. Dawson
Regional Chief Executive Northern Europe

John W. Flowers
Regional Chief Executive United Kingdom & Éire

Phillip Hoegarts
Regional Chief Executive Central Europe

Pieter A. Laubscher
Regional Chief Executive Southern Africa

Roger Prêtre
Regional Chief Executive Western Europe

Changes in directors, officers and executive personnel

W. Harold Rea retired as a director, having served with distinction since 1963. He has been appointed an honorary director.

J. Dean Muncaster, president and chief executive officer of Canadian Tire Corporation, Limited was appointed a director to succeed Mr. Rea.

Richard W. Hamilton, who for health reasons elected to take early retirement, resigned as president and chief executive officer and as a director of the Corporation. Mr. Hamilton completed forty-one years of service and made a major contribution to the success of the Corporation.

Judson W. Sinclair was appointed president and chief executive officer, and a director, to succeed Mr. Hamilton. Formerly senior vice president–finance, Mr. Sinclair has served the Corporation in various capacities over a thirty-five year period.

Joseph B. McArthur was appointed senior vice president–finance. Mr. McArthur has been vice president and general manager of the Canadian Forms Division since January, 1981.

Daniel J. Fischer was appointed auditor of the Corporation. Mr. Fischer was formerly auditor, United States Operations.

There were a number of changes within Moore Business Forms, Inc. Edward J. Howe was appointed vice president of information services. Louis J. Rupnik was appointed vice president and general manager of International Graphics division. Mr. Rupnik was formerly vice president–marketing, of that division. Frank C. Haskell was appointed vice president and general manager of Moore Business Systems. Mr. Haskell has had over 30 years experience in computer sales and marketing with a large, international office equipment company in the information systems industry.

In the International Operating Management, Earl C. Kraft, regional chief executive, Mexico, retired after more than 40 years outstanding service. Fernando Hernandez, formerly regional marketing, strategic planning and product manager, Mexico, became general manager, Mexico. Elpidio C. Perez, formerly general sales manager, Brazil, was appointed general manager, Caribbean region.

Corporate Office
1 First Canadian Place
P.O. Box 78
Toronto, Canada M5X 1G5

Transfer Agents
National Trust
Company, Limited
21 King Street East,
Toronto M5C 1B3

1350 Sherbrooke St. West,
Montreal H3G 1J1

250 Portage Avenue,
Winnipeg R3C 0B5

150 Toronto-Dominion
Square,
320-8th Avenue S.W.,
Calgary T2P 3B2

510 Burrard Street,
Vancouver V6C 2J7

Manufacturers Hanover
Trust Company
450 West 33rd Street,
New York, N.Y. 10001

Moore Corporation Limited

1 First Canadian Place
P.O. Box 78
Toronto, Canada M5X 1G5

March 9, 1983

Notice of annual and general meeting of shareholders

Notice is hereby given that the annual and general meeting of shareholders of Moore Corporation Limited will be held in **Commerce Hall, Commerce Court West** (King & Bay Streets), Toronto, Canada on Tuesday, the 5th day of April, 1983 at 2:00 p.m. Toronto Time for the following purposes:

1. To receive the consolidated financial statements of the Corporation for the year ended December 31, 1982, together with the report of the auditors thereon and the report of the directors to the shareholders.
2. To consider and, if thought fit, confirm By-law No. 15 of the Corporation, a special by-law amending the provisions of By-law No. 1, increasing the number of directors from nine to ten.
3. To elect directors for the ensuing year.
4. To appoint auditors for the ensuing year and to authorize the directors to fix the auditors' remuneration.
5. To transact such other business as may properly come before the meeting.

Dated at Toronto, Canada, this 9th day of March, 1983.

By Order of the Board,
F. E. Dougherty
Secretary

If it is not your intention to be present at the meeting, please exercise your right to vote by signing and returning your form of proxy in the envelope enclosed herewith for that purpose. Your form of proxy, imprinted with your name and address, is enclosed in the inner pocket of the covering envelope in which your copy of the 1982 annual report and this notice of annual and general meeting and information circular have been mailed to you.

Information circular

(Unless otherwise indicated, all dollar amounts herein are expressed in United States currency)

Solicitation of proxies

The information contained in this circular is furnished in connection with the solicitation of proxies by the Board of Directors of Moore Corporation Limited (the "Corporation" and collectively with its subsidiaries "Moore") to be used at the annual and general meeting of shareholders of the Corporation to be held on Tuesday, April 5, 1983 at 2:00 p.m. Toronto Time in **Commerce Hall, Commerce Court West** (King & Bay Streets), Toronto, Canada, and at all adjournments thereof, for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be made primarily by mail commencing March 9, 1983, but proxies may also be solicited personally by employees of the Corporation. The total cost of the solicitation will be borne by the Corporation.

Appointment and revocation of proxies

The persons named as proxies in the enclosed form of proxy are directors of the Corporation. **A shareholder desiring to appoint some other person as a representative at the meeting may do so** either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed form of proxy to the Secretary of the Corporation in time for use at the meeting.

A shareholder who has given a proxy may revoke it either (a), by signing a proxy bearing a later date and delivering it to the Secretary of the Corporation in time for use at the meeting or (b), as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Secretary of the Corporation or the Chairman of the meeting.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the date of this circular, the management of the Corporation knows of no such amendments, variations or other matters.

Voting securities

On February 7, 1983, the Corporation had outstanding 28,292,950 common shares without par value ("common shares"). Shareholders of record at the close of business on March 31, 1983 will be entitled to one vote for each share held by them.

Security ownership of certain beneficial owners

Royal Trust Corporation of Canada, Calgary, Canada and its affiliated corporation, The Royal Trust Company, Montreal, Canada (collectively "Royal Trust") beneficially owned, for purposes of applicable securities legislation, 1,994,242 common shares on February 7, 1983. Royal Trust advise that they had sole or shared investment or voting power over 1,967,242 of such common shares, which were held for various clients of Royal Trust, and that the remaining 27,000 common shares were held for their own account. Royal Trust advise that they also had sole or shared investment or voting power over 6% convertible subordinated debentures of the Corporation ("debentures") convertible into 26,946 common shares, which were held for various clients of Royal Trust on such date. Accordingly, 7.14% of the total number of common shares outstanding were beneficially owned by Royal Trust on such date. No other person is known to the Corporation to own beneficially more than 5% of its common shares.

Election of directors

Upon the confirmation of By-law No. 15 by the shareholders at the meeting, the Board will consist of ten directors to be elected annually. The persons whose names are set out in the following table are proposed to be nominated as directors at the meeting. All such nominees, other than Mr. Walter F. Light, are currently directors and have been since the dates indicated. Management does not contemplate that any of the proposed nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until the next annual meeting of shareholders or until a successor is elected.

On January 21, 1983, Mr. Richard W. Hamilton, for health reasons, resigned as a director, the President and Chief Executive Officer and was succeeded by Mr. Judson W. Sinclair, formerly the Senior Vice President–Finance. Mr. W. Harold Rea, having reached the age limit set for directors for service on the Board, will not stand for re-election.

Information is provided in the following table with respect to the persons proposed to be nominated for election as directors and indicates the common shares of the Corporation reported by such persons as beneficially owned by them on February 7, 1983. At such date, all officers and directors of the Corporation as a group beneficially owned less than one percent of the outstanding common shares.

The following table shows the estimated annual pension benefits payable under these plans for participants, including officers, in various remuneration classifications upon retirement at age 65 after the indicated periods of credited service:

Average final compensation	**Estimated annual pension benefits for years of credited service shown**			
	10 years	*20 years*	*30 years*	*35 years*
$ 75,000	9,205	18,411	27,616	32,219
100,000	12,538	25,076	37,614	43,883
125,000	15,870	31,741	47,611	55,547
150,000	19,203	38,406	57,609	67,210
175,000	22,535	45,071	67,606	78,874
200,000	25,868	51,736	77,604	90,538
225,000	29,200	58,401	87,601	102,201
250,000	32,533	65,066	97,599	113,865
275,000	35,865	71,731	107,596	125,529
300,000	39,198	78,396	117,594	137,193
325,000	42,530	85,061	127,591	148,856
350,000	45,863	91,726	137,589	160,520

The years of credited service of individual officers named above are as follows: David W. Barr–35 years; Richard W. Hamilton–35 years; Judson W. Sinclair–35 years; Wilbur M. Nichols–35 years; Lee C. Rumph–34.4 years. The average final compensation of such officers, based on their compensation through 1982 is as follows: David W. Barr–$140,940; Richard W. Hamilton–$283,889; Judson W. Sinclair–$162,357; Wilbur M. Nichols–$109,031; Lee C. Rumph–$153,396.

Incentive compensation

A Short-Term Incentive Program has been established for certain key employees to encourage attainment of the goals of the Corporation. Separate plans, all based on the principle of an incentive reward for performance in excess of a basic standard, exist for the Corporation and for certain operating units. Generally each plan identifies the eligible positions, defines a three-year weighted profit increase computation and provides the method of calculating the incentive compensation for the eligible employees. In most plans, each eligible employee receives incentive compensation at rates ranging from .1% to .5% of basic annual salary for each .1% that the three-year weighted increase in profits of the operating unit in which the employee serves exceeds a threshold rate of profit increase for the unit determined by an average of inflationary increases and gross national product changes.

Remuneration of directors

Each director who is not an officer is entitled to receive $7,500 per annum and $400 for each meeting of the board or a committee of the board which a director attends. Each director is also reimbursed for expenses incurred in attending meetings

Stock options

On December 31, 1982, the officers of the Corporation held options to purchase common shares pursuant to the provisions of the 1976 Executive Stock Option Plan as follows:

Individual or group	**Shares under option**	**Weighted average option price per share ($Cdn.)**	**Aggregate unrealized appreciation ($Cdn.)**
Richard W. Hamilton	5,000	$34.94	$ 82,800
Judson W. Sinclair	3,000	34.94	49,680
Wilbur M. Nichols	2,000	34.94	33,120
Lee C. Rumph	3,000	35.73	47,130
All officers as a group	21,000	36.17	321,930

There were no options granted or exercised by the above named individuals or officers as a group during 1982.

Indebtedness of management

The following table outlines the indebtedness of officers to the Corporation or any subsidiary which has exceeded $25,000 (Cdn.) since the beginning of 1982:

Name	**Maximum indebtedness ($U.S.)**	**Amount outstanding on February 7, 1983 ($U.S.)**
Thomas P. Courtney	$ 24,968	$ 22,046
Robert H. Downie	118,090	87,465
Joseph B. McArthur	84,350	61,239
William L. Richards	45,215	41,646
Robert W. Russell	54,828	NIL

Each of the above loans was granted for the purpose of assisting the officer in the purchase of a house following a transfer requested by the Corporation. Each of the loans is interest free, is due no later than 1985 and except for Messrs. Downie and McArthur's loans which are secured by mortgages on their houses, is not secured.

Name	Age	Director since	Principal occupation or employment during past five years and certain directorships[1]	Common shares
David W. Barr[4] Toronto, Ontario	72	January, 1968	Chairman of the Board, Moore Corporation Limited. Mr. Barr is also Chairman of the Board, The Canada Life Assurance Company (Life insurance).	29,761[5]
Edward H. Crawford[2,3] Toronto, Ontario	57	April, 1975	President, The Canada Life Assurance Company (Life insurance). Mr. Crawford is a director of Gulf Canada Limited, Interprovincial Pipe Lines Limited and Lakehead Pipe Line Inc.	1,500[6]
James D. Farley[2] New York, N.Y.	56	January, 1977	Executive Vice President, Citibank, N.A. (Banking). Mr. Farley is a director of Chesebrough-Pond's Inc. and Private Export Funding Corporation.	106
J. Douglas Gibson[2,3] Toronto, Ontario	73	June, 1971	Corporate Director; prior to May, 1982, Mr. Gibson was Chairman of the Board, Canadian Reinsurance Company and Canadian Reassurance Company (Insurance); and prior to April, 1980, Mr. Gibson was Chairman of the Board, The Consumers' Gas Company (Natural gas distribution).	2,100[7]
L. Edward Grubb[2,3] Durham, N.H.	70	March, 1973	Corporate Director.	1,000
Edwin H. Heeney[2] Toronto, Ontario	72	March, 1972	Corporate Director.	200
Walter F. Light Toronto, Ontario	59		Chairman of the Board and Chief Executive Officer, Northern Telecom Limited (Telecommunication equipment manufacturer). Mr. Light was President and Chief Executive Officer between October, 1979 and May, 1982 and President prior to October, 1979 of Northern Telecom Limited. Mr. Light is a director of Bell Canada, Genstar Corporation, Inco Limited and The Procter & Gamble Company.	100
J. Dean Muncaster[2] Toronto, Ontario	49	February, 1983	President and Chief Executive Officer, Canadian Tire Corporation, Limited (Automotive, home, and sporting goods distributor). Mr. Muncaster is a director of Bell Canada, The Black and Decker Manufacturing Company and Consolidated Foods Corporation.	500
Cedric E. Ritchie[2,3] Toronto, Ontario	55	January, 1978	Chairman of the Board and Chief Executive Officer, The Bank of Nova Scotia (Banking); prior to December, 1979, Mr. Ritchie was Chairman of the Board, President and Chief Executive Officer, The Bank of Nova Scotia. Mr. Ritchie is a director of Beatrice Foods Company.	100[8]
Judson W. Sinclair Toronto, Ontario	63	January, 1983	President and Chief Executive Officer, Moore Corporation Limited; prior to January, 1983, Mr. Sinclair was Senior Vice President–Finance, Moore Corporation Limited.	8,411[9]

Notes

[1]Directorships are those of companies registered under Section 12 or subject to Section 15(d) of the United States Securities Exchange Act of 1934.

[2]Member of the audit committee.

[3]Member of the management resource committee.

[4]Member (ex-officio) of the management resource committee.

[5]Excludes 240 common shares owned by Mr. Barr's wife, the beneficial ownership of which shares he disclaims.

[6]Excludes 40 common shares owned by Mr. Crawford's wife, the beneficial ownership of which shares he disclaims.

[7]Excludes 250 common shares owned by Mr. Gibson's wife and 420 common shares owned by Mr. Gibson's adult children, the beneficial ownership of which shares he disclaims.

[8]Excludes 25 common shares owned by Mr. Ritchie's wife, the beneficial ownership of which shares he disclaims.

[9]Excludes 1,000 common shares owned by Mr. Sinclair's wife and 265 common shares owned by Mr. Sinclair's adult son, the beneficial ownership of which shares he disclaims. Includes 3,000 common shares granted under the 1976 Executive Stock Option Plan.

Mr. W. Harold Rea, who is not standing for re-election as a director, is the beneficial owner of 5,000 common shares. He disclaims beneficial ownership of 85 common shares into which debentures held by Mr. Rea's wife may be converted.

Certain of the directors may be co-trustees of pension plans which may from time to time own common shares and debentures of the Corporation, as to which they disclaim any personal economic interest.

The Corporation has an audit committee and the members of such committee are noted. The function of the audit committee is to review the consolidated financial statements of the Corporation, to consider the scope and results of external and internal audit examinations with respect to the adequacy of internal controls and to review accounting developments that may have an influence on the financial reporting of the Corporation. The audit committee met three times in 1982.

The Corporation also has a management resource committee and the members of such committee are noted. The function of the management resource committee is to review and make recommendations to the directors in matters concerning the compensation of executives, their performance, recruitment and tenure, the 1976 Executive Stock Option Plan and organizational planning. The management resource committee met once in 1982.

The directors met six times during the year. All directors, other than Mr. Ritchie attended at least 75% of the total meetings of directors and of committees of which they were members during the year.

Management remuneration

Current remuneration

The following table shows the total cash and cash equivalent remuneration paid or accrued during 1982 by the Corporation and its subsidiaries to each of the five most highly compensated directors or executive or senior officers of the Corporation in all their capacities and to all officers receiving remuneration in excess of $50,000 (Cdn.) and all directors and all officers as a group respectively in their capacities as such.

Individual or group	**Position**	**Cash and cash equivalent forms of remuneration ($U.S.)**[1]
David W. Barr	Director; Chairman of the Board	$ 156,986
Richard W. Hamilton	Director; President and Chief Executive Officer[2]	313,369
Judson W. Sinclair	Senior Vice President-Finance[2]	189,490
Wilbur M. Nichols	Senior Vice President-International	140,902
Lee C. Rumph	Executive Vice President, Moore Business Forms, Inc.	175,000
Total		$ 975,747
All officers (twelve) receiving remuneration in excess of $50,000 (Cdn.) as a group		$1,505,891
All directors (nine) as a group		$ 78,500
All directors and officers (nineteen) as a group		$1,584,391

[1]Excludes the estimated aggregate cost to the Corporation and its subsidiaries in 1982 of all benefits proposed to be paid under the Moore retirement plans upon retirement at normal retirement age, which cost was $53,323 in respect of the individuals named above and $88,681 in respect of the officers receiving remuneration in excess of $50,000 (Cdn.).

[2]On January 21, 1983, Richard W. Hamilton retired and was succeeded by Judson W. Sinclair.

Proposed remuneration

Moore retirement plans

The Moore retirement plans are classified as defined benefit pension plans and provide that participants thereunder will receive an annual pension benefit commencing at retirement based on their average final compensation and credited service. The annual pension benefit is determined by taking .667% of the average final compensation up to an average social security wage base and 1.333% of the average final compensation in excess thereof, multiplied by years and months of credited service to a maximum of 35 years. Average final compensation is the average of the participant's five highest consecutive calendar years' earnings within the ten years preceding the earlier of age 65 or retirement. The remuneration covered by the plans includes incentive compensation.

Transactions with management

The Bank of Nova Scotia, of which Mr. Cedric E. Ritchie is Chairman of the Board and Chief Executive Officer, loaned Moore Business Forms, Inc., a United States subsidiary of the Corporation \$92,500,000 in December, 1982. Interest on the loan to the end of 1982 was \$630,300. During 1982 Reid Dominion Packaging Limited, a Canadian subsidiary of the Corporation, paid \$65,000 (Cdn.) interest to The Bank of Nova Scotia on short-term bank indebtedness.

Citibank, N.A., of which Mr. James D. Farley is Executive Vice President, is the master trustee of the Moore retirement plans for United States employees and a manager of the investments of such plans and received \$245,900 for services in such capacities in 1982.

In 1982 the Corporation invested \$5,000,000 (Cdn.) in a research and development contract offered by Bell-Northern Research Ltd. to investors. Bell-Northern Research Ltd. is a subsidiary of Northern Telecom Limited of which Mr. Walter F. Light is Chairman of the Board and Chief Executive Officer.

In the ordinary course of business, The Bank of Nova Scotia, Citibank, N.A., The Canada Life Assurance Company, Canadian Tire Corporation, Limited and Northern Telecom Limited have other transactions with the Corporation or its subsidiaries, such as the purchase of business forms, which are negotiated on an arms-length basis and are not felt to be material to any of the parties.

Confirmation of By-law No. 15

By-law No. 15, a special by-law, which amends the provisions of By-law No. 1, was passed by the directors at a board meeting held on February 22, 1983. By-law No. 15 increases the number of directors from nine to ten.

To be effective, By-law No. 15 must be confirmed by at least two-thirds of the votes cast at the meeting.

A copy of By-law No. 15 is available on written request to the Secretary of the Corporation, 1 First Canadian Place, P. O. Box 78, Toronto, Canada M5X 1G5, and copies will be available for inspection at the meeting.

Appointment of auditors

A resolution will be submitted to the meeting to appoint Price Waterhouse as auditors of the Corporation for a term expiring with the annual meeting of shareholders in 1984 and to authorize the directors to fix their remuneration. To become effective, such resolution must be approved by a majority of the votes cast at the meeting. Price Waterhouse have served as auditors of the Corporation since 1929.

Price Waterhouse will be represented at the meeting and will have an opportunity to make a statement if they so desire and to answer questions.

Shareholder proposals

Any shareholder proposals for the 1984 annual meeting of shareholders must be submitted no later than December 9, 1983 to the Secretary of the Corporation, at 1 First Canadian Place, P.O. Box 78, Toronto, Canada M5X 1G5, in order to be eligible (if appropriate) for inclusion in the Corporation's information circular for that meeting.

Toronto, Canada, March 9, 1983.

By Order of the Board,
F. E. Dougherty
Secretary